



SMALL BUSINESS ADVOCACY COUNCIL

**Minutes of the meeting held
Tuesday, March 31, 2014
Commerce RI
315 Iron Horse Way, Providence RI**

ATTENDANCE:

Mike Blazek	Prov. Chamber
Sherri Carrera	Commerce RI
Ralph Coppola	Meridian
Adriana Dawson	Roger Williams University
Mark Deion	Deion Assoc. & Strategies
Maureen Ewing	Sec. of State Office
Ray Fogarty	Chafee Center for Int'l Bus.
Mary Gervais	Center for Women & Enterprise
Erik Godwin	Director, Office of Regulatory Reform
John Gregory	NRI Chamber
David Lucier	Lucier CPA
Terrance Martiesian	Martiesian Law Assoc.
Edward Mazze	URI
Don Nokes	NetCenergy
Miriam Ross	HealthSource RI
Nancy Scarduzio	Sm. Bus. Ombudsman/Mgmt & Budget
Anthony Silva	Lt. Gov. Office
Melissa Travis	Healthsource RI
Bud Violet	Ocean State Business Dev. Authority

INTRODUCTION:

The SBAC (Small Business Advocacy Council) meeting was called to order by Lieutenant Governor Daniel McKee at 8:39 am. He proceeded to introduce Secretary of State Nellie Gorbea as well as the following members of his staff: Anthony Silva, Chief of Staff; Erika Niedowski, Communications Director; Craig Dwyer, Senior Policy Advisor; and Barbara Goodrich, Executive Assistant. He then asked those present to introduce themselves as well.

Lieutenant Governor McKee informed the members that he had reviewed the 2015 RI Small Business Economic Summit Report noting it was very good. He continued to say that his priority and the role of the Lieutenant Governor's office is to improve business friendliness.

Secretary of State Gorbea spoke about taking a leadership role and how she is committed to re-engaging and empowering Rhode Islanders through the Secretary of State's office to enhance commerce. Her office is in the process of expanding applications that will collect data and enable businesses to make good business decisions. The plan is to move forward and act as a data hub, sharing data and providing easily accessible business tools. They are also planning to address related communication gaps between cities and the state.

There was a brief discussion regarding IT systems, which due to the many varying computer systems, do not have the ability to "talk" to each other. Discussion continued pertaining to making regulatory information easily accessible to business owners and future business owners in order for them to be fully aware of all requirements thus avoiding penalization for non-compliance for a regulation they were not aware of. Data needs to be easily accessible and transferable, and a common goal is to "work with", not against, businesses and prospective new businesses.

Commerce RI reported it is working toward job creation, lending efforts on revitalization of cities and towns.

The Economic Summit

The following items were discussed:

- Providing more transparency in the healthcare system
- stimulating innovation
- increasing competition
- facilitating dialogue
- supporting HealthSource exchange.

COMMITTEE REPORTS:

Main Street Committee

Miriam Ross noted this concept is a growing trend both locally and nationwide. The committee is getting together with cities and towns and local chambers looking to secure funds for redevelopment. Main Street is where communities come together to live, work, eat, play and grow. In an effort to help maintain family farms and support farm to table they are looking to recommend that RI adopts the initiative that 50% of its food comes from local sources by the year 2060. Federal Food Match Programs are being developed in conjunction with food stamp programs to assist farmers markets and encourage healthier diets. Additionally, Main Street supports safe, reliable multiple forms of transportation including RIPTA (expressing displeasure at its lack of funding) and encourages incentive programs designed to use public transportation. Ms. Ross also stated there are very active merchant associations that want to participate in the revitalization efforts.

Workforce and Education Committee

John Gregory informed the group that the plan comes from the Governor's workforce plan. He indicated that most small businesses do not know what resources are available, adding that not all businesses participate in chamber and trade associations where information is more accessible. It was reported that career and tech education in Rhode Island is fragmented. The cost of a GED has doubled and he suggested that workforce training could help absorb this cost. Funding (or lack of) is also an issue for many initiatives. He added that the job development tax generating \$13 million is charged to the employer which results in employers paying for the training.

A discussion ensued concerning the need for a program where businesses could also enter information, thus providing another shared data tool. It was noted that a directory of all pad ready sites would be an excellent resource. Unfortunately cities and towns do not presently enter into the State of Rhode Island real estate database.

Economic Development Committee

Mark Deion discussed the loan process businesses face and also mentioned that the \$260 million collected over the past 10 years has not been used in the best interest of businesses adding that to grow economically the state needs to invest tax credits and leverage with matching funds. The Lieutenant Governor mentioned he would like to further look into the data points on efficiencies and review the financial impact for getting it done.

NEW BUSINESS:

Lieutenant Governor McKee listed the issues he is currently addressing:

1) National Grid

In view of the substantial rate hike, his office is intervening on behalf of all small businesses. He continued stating that the present structure protects shareholders, not ratepayers. He is looking for National Grid to provide more information regarding purchasing the electricity from alternative sources as presently the competition is not maximized. Rules and regulations, however, need to be established to protect consumers from added costs for selecting the competition.

2) Executive Order

Governor Raimondo issued an executive order charging the Office of Lieutenant Governor to work with municipal leaders from all cities and towns to facilitate bringing their concerns to the state.

3) Education

School committees and Superintendents say they can't afford innovation and are preparing to dismantle Charter Schools and their innovation.

4) Thumbtack

RI has been repeatedly ranked by Thumbtack with an “F” in business friendliness. He added that we need to figure out how to get a higher grade. He has been in contact with Thumbtack and is planning to bring them to Rhode Island and organize a roundtable to address the issues.

5) Board of Directors

The Lieutenant Governor is planning on raising outside funding to establish an Economic Development Board of Directors to tackle specific issues, one at a time.

DISCUSSION:

Dr. Mazze and the Lt. Governor discussed how to use the skill and talent on this council and expand on it. Dr. Mazze stated he is concerned about the economic forecast adding that great ideas have come from this group but we keep ignoring the lack of participation by business people. He said we need to keep remembering we are a small business state and we often forget our audience. He reported that most new businesses employ 1-3 employees. Dr. Mazze also commented he feels the state needs to better adhere to our code of ethics.

Further discussion was held covering topics that included the importance of coordinating efforts, Main Street and farm to table initiatives as future economic growth, and deregulation. A comment was made that it is imperative that we work with, not against those trying to establish a business. We should not fine immediately and need to move in a different direction helping to guide businesses. The SBAC can offer guidance in this process by providing feedback.

ANNOUNCEMENTS:

Please support the 30th Annual World Trade Day located at Bryant on May 20th.

CLOSING REMARKS:

Secretary Gorbea informed the group that the Women on Business initiative is a bright spot for our state and creates a new framework by offering online business resources for women.

In his opinion, Lieutenant Governor McKee stated this Small Business Advocacy Council needs to pick three (3) things it can do well, and DO IT, keeping in mind that successful states have three things in common:

1. Strong support for education
2. Business friendliness
3. Focus on an economic development strategy

ADJOURNMENT:

The meeting adjourned at 9:45am.

Respectfully submitted:

Barbara Goodrich

Executive Assistant to Lieutenant Governor McKee

DRAFT